

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
)	
SEARS HOLDINGS CORPORATION, <i>et al.</i> , ¹)	Case No. 18-23538 (RDD)
)	
Debtors.)	(Jointly Administered)
)	

**COMBINED MONTHLY FEE STATEMENT OF PRIME CLERK LLC, AS
ADMINISTRATIVE AGENT TO THE DEBTORS, FOR THE PERIODS
FROM (I) OCTOBER 15, 2018 THROUGH NOVEMBER 30, 2018;
AND (II) FEBRUARY 1, 2019 THROUGH MARCH 31, 2019**

By this combined monthly fee statement (the “**Statement**”), pursuant to sections 327, 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the “**Local Bankruptcy Rules**”), Prime Clerk LLC (“**Prime Clerk**”), administrative agent to the above captioned debtors and debtors in possession (collectively, the “**Debtors**”), hereby seeks compensation and reimbursement for reasonable and necessary fees and expenses incurred for the

¹The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

periods from (i) October 15, 2018 through November 30, 2018 and (ii) February 1, 2019 through March 31, 2019 ((i) and (ii) together, the “**Statement Period**”). In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 796] (the “**Compensation Order**”), Prime Clerk seeks (i) allowance of reasonable and necessary fees incurred during the Statement Period in an amount equal to \$6,493.55 and payment of \$5,194.84, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in an amount equal to \$0.00. In support of the Statement, Prime Clerk respectfully represents as follows:

Name of Professional:	Prime Clerk LLC
Authorized to Provide Administrative Agent Services to:	Debtors and Debtors in Possession
Date of Retention:	November 19, 2018 <i>nunc pro tunc</i> to October 15, 2018
Period for which compensation and reimbursement is sought:	(i) October 15, 2018 through November 30, 2018 and (ii) February 1, 2019 through March 31, 2019
Amount of compensation sought as actual, reasonable and necessary:	\$6,493.55 ²
80% of compensation sought as actual, reasonable and necessary:	\$5,194.84
Amount of expense reimbursement sought as actual, reasonable and necessary	\$0.00

Prior Monthly Statements

No prior fee statements have been filed.

² In accordance with the Compensation Order, at the expiration of the Objection Deadline (as defined in the Compensation Order), the Debtors are authorized to promptly pay 80% of the fees and 100% of the expenses identified in the Statement to which no Objection (as defined in the Compensation Order) has been served.

Summary of Hours Billed by Prime Clerk Employees During the Statement Period

Employee Name	Title	Total Hours	Rate	Total
Daloia, James F	Director of Solicitation	0.20	\$240.00	\$48.00
Johnson, Craig	Director of Solicitation	17.50	\$240.00	\$4,200.00
Pullo, Christina	Director of Solicitation	6.00	\$240.00	\$1,440.00
Sharp, David	Director of Solicitation	2.30	\$215.00	\$552.00
Brown, Mark M	Solicitation Consultant	1.80	\$215.00	\$387.00
Labissiere, Pierre	Solicitation Consultant	6.80	\$215.00	\$1,462.00
Liu, Calvin L	Solicitation Consultant	0.30	\$215.00	\$64.50
Lonergan, Senan L	Solicitation Consultant	1.80	\$215.00	\$387.00
Vyskocil, Ryan J	Solicitation Consultant	3.00	\$215.00	\$645.00
Senecal, Brian A	Technology Consultant	0.20	\$70.00	\$14.00
Lim, Rachel	Technology Consultant	1.40	\$55.00	\$77.00
	TOTAL	41.30		\$9,276.50³
	BLENDED RATE		\$224.61	

Summary of Fees Billed by Subject Matter During the Statement Period

Matter Description	Total Hours	Total
Ballots	1.60	\$91.00
Call Center / Credit Inquiry	0.50	\$112.50
Disbursements	4.30	\$1,007.00
Solicitation	34.90	\$8,066.00
TOTAL	41.30	\$9,276.50⁴

Summary of Expenses Incurred by Prime Clerk Employee During the Statement Period

Description	Total
N/A	N/A
TOTAL	N/A

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^{3, 4} This amount has been discounted to \$6,493.55 in accordance with the terms of Prime Clerk's retention. Taking into account this discount, the blended hourly rate is \$157.23.

Jurisdiction

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference of the United States District Court for the Southern District of New York, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief requested herein are sections 327, 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and the Local Bankruptcy Rules.

Background

2. On October 15, 2018 (the “**Commencement Date**”), each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On October 16, 2018, this Court entered an order jointly administering these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). An official committee of unsecured creditors was appointed in these chapter 11 cases on October 24, 2018. On January 3, 2019, the United States Trustee for the Southern District of New York filed a motion requesting the appointment of an independent fee examiner [Docket No. 1470], which motion is still pending before the Court.

Retention of Prime Clerk

3. On November 19, 2018, the Court entered the *Order Pursuant to 11 U.S.C. § 327(a), Bankruptcy Rules 2014(a) and 2016(a), and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment of Prime Clerk LLC as Administrative Agent for the Debtors Nunc Pro Tunc to the Commencement Date* [Docket No. 812], which authorized the Debtors to employ and

retain Prime Clerk as administrative agent *nunc pro tunc* to the Commencement Date in these chapter 11 cases.

Relief Requested

4. Prime Clerk submits this Statement in accordance with the Compensation Order. All services for which Prime Clerk requests compensation were performed for, or on behalf of, the Debtors.

5. Prime Clerk seeks (i) allowance of reasonable and necessary fees incurred during the Statement Period in the total amount of \$6,493.55 and payment of \$5,194.84, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in the amount of \$0.00.

6. Prime Clerk maintains computerized records of the time spent by employees of Prime Clerk in connection with its role as administrative agent to the Debtors. In that regard, **Exhibit A**: (i) identifies the employee that rendered services in each task category; (ii) describes each service such employee performed; (iii) sets forth the number of hours in increments of one-tenth of an hour spent by each individual providing services; and (iv) as applicable, sets forth the type of expenses incurred. **Exhibit B** hereto sets forth the type of expenses incurred by each Prime Clerk employee during the Statement Period, if any. In addition, Prime Clerk's hourly rates are set at a level designed to fairly compensate Prime Clerk for the work of its employees and cover routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned and are subject to periodic adjustments to reflect economic and other conditions.

7. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of these cases, (b) the time expended, (c) the rates charged for such services, (d) the nature and extent of the services

rendered, (e) the value of such services and (f) the costs of comparable services other than in a case under this title.

Notice

8. Pursuant to the Compensation Order, this Statement will be served upon the Notice Parties (as defined in the Compensation Order). Prime Clerk submits, in light of the relief requested, no other or further notice is necessary.

Conclusion

9. WHEREFORE, pursuant to the Compensation Order, Prime Clerk respectfully requests (i) allowance of reasonable and necessary fees for the Statement Period in the total amount of \$6,493.55 and payment of \$5,194.84, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in the amount of \$0.00.

Dated: April 15, 2019
New York, New York

Prime Clerk LLC

/s/ Shira D. Weiner
Shira D. Weiner
General Counsel
830 Third Avenue, 9th Floor
New York, NY 10022
Telephone: (212) 257-5450
Email: sweiner@primeclerk.com

Administrative Agent to the Debtors

Exhibit A

Fee Detail

Exhibit B

Detail of Expenses Incurred by Prime Clerk Employees During the Statement Period

None.



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New York, NY 10022

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Hourly Fees by Employee through October 2018

<u>Initial</u>	<u>Employee Name</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
RJV	Vyskocil, Ryan J	SA - Solicitation Consultant	3.00	\$215.00	\$645.00
TOTAL:			3.00		\$645.00

Hourly Fees by Task Code through October 2018

<u>Task Code</u>	<u>Task Code Description</u>	<u>Hours</u>	<u>Total</u>
SOLI	Solicitation	3.00	\$645.00
TOTAL:		3.00	\$645.00

Sears Holdings Corporation

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Invoice #: 8289

Time Detail

<u>Date</u>	<u>Emp</u>	<u>Title</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>
10/15/18	RJV	SA	Perform public securities research	Solicitation	3.00
Total Hours					3.00



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Hourly Fees by Employee through November 2018

<u>Initial</u>	<u>Employee Name</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
SLL	Loneragan, Senan L	SA - Solicitation Consultant	0.80	\$215.00	\$172.00
JFD	Daloia, James F	DS - Director of Solicitation	0.20	\$240.00	\$48.00
TOTAL:			1.00		\$220.00

Hourly Fees by Task Code through November 2018

<u>Task Code</u>	<u>Task Code Description</u>	<u>Hours</u>	<u>Total</u>
INQR	Call Center / Credit Inquiry	0.20	\$48.00
SOLI	Solicitation	0.80	\$172.00
TOTAL:		1.00	\$220.00

Sears Holdings Corporation

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Invoice #: 8464

Time Detail

<u>Date</u>	<u>Emp</u>	<u>Title</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>
11/13/18	SLL	SA	Perform public securities research for purpose of creating internal case securities database	Solicitation	0.80
11/28/18	JFD	DS	Review inquiries from bond holders related to eventual solicitation and payment of interest	Call Center / Credit Inquiry	0.20
Total Hours					1.00



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Hourly Fees by Employee through February 2019

<u>Initial</u>	<u>Employee Name</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
MMB	Brown, Mark M	SA - Solicitation Consultant	0.50	\$215.00	\$107.50
PL	Labissiere, Pierre	SA - Solicitation Consultant	2.00	\$215.00	\$430.00
TOTAL:			2.50		\$537.50

Hourly Fees by Task Code through February 2019

<u>Task Code</u>	<u>Task Code Description</u>	<u>Hours</u>	<u>Total</u>
SOLI	Solicitation	2.50	\$537.50
TOTAL:		2.50	\$537.50

Sears Holdings Corporation

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Invoice #: 9022

Time Detail

<u>Date</u>	<u>Emp</u>	<u>Title</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>
02/26/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to solicitation	Solicitation	0.40
02/27/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to solicitation	Solicitation	0.60
02/28/19	MMB	SA	Confer and coordinate with C. Johnson regarding solicitation timeline	Solicitation	0.50
02/28/19	PL	SA	Prepare for and participate in telephone conference with Phil DiDonato at Weil re solicitation	Solicitation	1.00
Total Hours					2.50



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Hourly Fees by Employee through March 2019

<u>Initial</u>	<u>Employee Name</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
RLI	Lim, Rachel	TC - Technology Consultant	1.40	\$55.00	\$77.00
BAS	Senecal, Brian A	TC - Technology Consultant	0.20	\$70.00	\$14.00
MMB	Brown, Mark M	SA - Solicitation Consultant	1.30	\$215.00	\$279.50
PL	Labissiere, Pierre	SA - Solicitation Consultant	4.80	\$215.00	\$1,032.00
CLL	Liu, Calvin L	SA - Solicitation Consultant	0.30	\$215.00	\$64.50
SLL	Lonergan, Senan L	SA - Solicitation Consultant	1.00	\$215.00	\$215.00
CJ	Johnson, Craig	DS - Director of Solicitation	17.50	\$240.00	\$4,200.00
CP	Pullo, Christina	DS - Director of Solicitation	6.00	\$240.00	\$1,440.00
DS	Sharp, David	DS - Director of Solicitation	2.30	\$240.00	\$552.00
TOTAL:			34.80		\$7,874.00

Hourly Fees by Task Code through March 2019

<u>Task Code</u>	<u>Task Code Description</u>	<u>Hours</u>	<u>Total</u>
BALL	Ballots	1.60	\$91.00
DISB	Disbursements	4.30	\$1,007.00
INQR	Call Center / Credit Inquiry	0.30	\$64.50
SOLI	Solicitation	28.60	\$6,711.50
TOTAL:		34.80	\$7,874.00

Sears Holdings Corporation

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Invoice #: 9408

Time Detail

<u>Date</u>	<u>Emp</u>	<u>Title</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>
03/05/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to solicitation	Solicitation	0.20
03/06/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to the upcoming solicitation	Solicitation	0.60
03/06/19	PL	SA	Prepare for and participate in telephone conference with Phil DiDonato at Weil related to solicitation	Solicitation	1.00
03/08/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to solicitation	Solicitation	0.50
03/11/19	CP	DS	Coordinate with case team regarding voting and solicitation issues related to general unsecured creditors	Solicitation	0.70
03/11/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to solicitation	Solicitation	1.20
03/14/19	RLI	TC	Technical support for processing electronically filed ballots	Ballots	0.60
03/15/19	BAS	TC	Technical support for updating ballot information	Ballots	0.20
03/18/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to the upcoming solicitation	Solicitation	0.50
03/18/19	RLI	TC	Technical support for processing electronically filed ballots	Ballots	0.80
03/19/19	CP	DS	Coordinate with Prime Clerk case team, DTC and Weil (J. Goltser) regarding payment of PIK interest and drawdown of credit bid securities (.8); participate on call with Kelley Drye, Cleary, Weil, Computershare and DTC regarding same (.4)	Disbursements	1.40
03/19/19	CP	DS	Review email from P. DiDonato (Weil) regarding solicitation information for disclosure statement	Solicitation	0.10
03/19/19	DS	DS	Prepare for and participate in telephone conference with DTC, Computershare and counsel regarding solicitation and distribution mechanics	Disbursements	0.50
03/19/19	DS	DS	Review DTC comments to solicitation and distribution procedures	Disbursements	0.50
03/19/19	DS	DS	Prepare for and participate in telephone conference with counsel regarding solicitation mechanics for holders of securities	Solicitation	0.20
03/19/19	SLL	SA	Confer and coordinate with Prime Clerk case team on the credit bid cancellation of certain bond securities in connection with distributions	Disbursements	0.50
03/19/19	SLL	SA	Prepare for and participate in telephone conference with Weil, Cleary and DTC re creditor bid cancellation of certain bond securities in connection with distributions	Disbursements	0.50
03/20/19	CLL	SA	Respond to creditor inquiries related to solicitation	Call Center / Credit Inquiry	0.30
03/20/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil	Solicitation	0.30

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Invoice #: 9408

			related to the upcoming solicitation		
03/25/19	CP	DS	Coordinate with Weil (J. Goltser) regarding paydown of existing notes related to sale credit bid and effect on distributions	Disbursements	0.20
03/26/19	CJ	DS	Review and provide comments to motion to approve disclosure statement	Solicitation	3.20
03/26/19	CJ	DS	Review and provide edits to draft solicitation procedures and ballots	Solicitation	1.80
03/26/19	CJ	DS	Review plan of reorganization for solicitation-related provisions	Solicitation	1.10
03/26/19	CP	DS	Coordinate with DTC and Weil (J. Goltser) regarding cancellation of certain credit bid notes	Disbursements	0.70
03/26/19	CP	DS	Review and provide comments to plan in coordination with Prime Clerk case team	Solicitation	0.60
03/27/19	CJ	DS	Prepare for, participate in, and conduct follow up re: call with C. Pullo (Prime Clerk) regarding potential comments to solicitation procedures and ballots	Solicitation	0.40
03/27/19	CJ	DS	Review and edit draft master ballots and beneficial holder ballots	Solicitation	2.20
03/27/19	CJ	DS	Review draft plan for purpose of providing comments on the solicitation procedures, ballots, and notices	Solicitation	1.10
03/27/19	CP	DS	Review and provide comments on solicitation document drafts in coordination with C. Johnson (Prime Clerk)	Solicitation	1.40
03/28/19	CJ	DS	Review and and provide comments to motion to approve disclosure statement and solicitation procedures, including review and edit to ballots and notices	Solicitation	5.60
03/28/19	CP	DS	Review revised solicitation documents in coordination with C. Johnson (Prime Clerk)	Solicitation	0.70
03/28/19	DS	DS	Review solicitation documents and provide comments thereto	Solicitation	1.10
03/28/19	MMB	SA	Confer and coordinate with case team (C Johnson) re upcoming solicitation and edit solicitation documents	Solicitation	1.30
03/28/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to the upcoming solicitation	Solicitation	0.50
03/29/19	CJ	DS	Review and provide suggested comments to draft chapter 11 plan	Solicitation	2.10
03/29/19	CP	DS	Review proposed revisions to plan in coordination with C. Johnson (Prime Clerk)	Solicitation	0.20

Total Hours**34.80**